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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 6, 1998

PETITION OF

PRINCE GEORGE ELECTRIC COOPERATIVE

For declaratory judgment

and

CASE NO. PUE960295

PETITION OF

RGC (USA) MINERAL SANDS, INC.

and

RGC (USA) MINERALS, INC.

For declaratory judgment

ORDER TERMINATING PROCEEDING

In our June 25, 1998 Order on Petitions for Declaratory Judgment, we denied the petition of RGC (USA) Mineral Sands, Inc. and RGC (USA) Minerals, Inc. (collectively, "RGC"). In the same order, we granted the petition of Prince George Electric Cooperative ("Prince George" or "the Cooperative") insofar as we determined that Virginia Electric and Power Company ("Virginia Power") cannot provide electric service to RGC for its mineral processing plant. We directed Virginia Power and Prince George, in consultation with RGC, to submit within 30 days to the Commission's Division of Energy Regulation ("the Division" or

"Staff") a plan detailing how and when Prince George will begin providing service to RGC.

In a filing made July 22, 1998, RGC advised that the parties had been unable to reach agreement on a plan for the transfer of service for RGC from Virginia Power to Prince George. We subsequently extended the time for the parties to submit a plan for the transfer of service to August 14, 1998. We further directed the Division to submit a report on the agreement reached by the parties, and in the absence of an agreement, to make a recommendation detailing how Prince George should provide service to RGC. After receiving several extensions, the parties were required to submit a plan by September 18, 1998. Prince George and Virginia Power filed separate correspondence with the Division on that date.

Prince George described the terms of an "Agreement for Electric Service" it was to enter with RGC, and submitted a proposed tariff under which the Cooperative would provide service to RGC. Prince George stated that the plan provides for the Cooperative to provide service through the existing Virginia Power/RGC delivery point. Old Dominion Electric Cooperative ("ODEC"), Prince George's wholesale supplier, will provide power at the existing Virginia Power/RGC delivery point for Prince George's delivery to RGC. The Cooperative would purchase selected components of the facilities constructed by RGC to

provide service to RGC. In using the existing Virginia Power/RGC delivery point, Prince George would provide service to RGC from a dedicated delivery point with no physical interconnection with Prince George's distribution system. No new construction of facilities would be necessary for Prince George to serve RGC.

Virginia Power advised that it and RGC had "agreed in principle" on terms for certain "abandonment charges" in the event RGC terminates electric service to its plant within ten years. Virginia Power also stated that certain issues concerning its liability to RGC for damages related to power supply remained unresolved.

On September 25, 1998, the Division filed a report on the parties' proposed plan for the transfer of RGC's electric service from Virginia Power to Prince George. It found that the plan, as outlined by the parties, is effective for the transfer of RGC's service from Virginia Power to Prince George. The report did not address the appropriateness of the proposed tariff, noting that it must still undergo approval procedures.

On October 23, 1998, counsel for Prince George advised Staff that the agreement described in its letter of September 18, 1998 had now been signed by the Cooperative and RGC, and that the agreement will become effective upon approval of the Cooperative's proposed tariff. Also on that date, Prince George

filed a revised tariff addressing certain Staff recommendations. Following subsequent discussions with Staff, Prince George made an additional revision to its proposed tariff, and filed an amended revised tariff on October 29, 1998.

On October 30, 1998, the Division accepted the amended revised tariff, "Rate Schedule RGC, Dedicated Delivery Point Service," as a company-made rate, finding it to be an appropriate tariff for dedicated delivery point service. The Division approved the tariff effective for service rendered on or after October 30, 1998. The Division then filed a Final Report, detailing the resolution of this matter, and advising that the transfer of service to Prince George from Virginia Power for RGC is expected to take place effective for service on and after November 1, 1998.

On November 2, 1998, the Commission Staff filed a motion that this matter be closed and removed from the Commission's docket of active cases. In support of its motion, the Staff, reciting the sequence of events described above, stated that it and the parties had concluded their obligations imposed by the Commission's orders in this matter. On November 6, 1998, Prince George filed a response to the Staff motion. The Cooperative requested that the Commission not act on the motion until such time as RGC has withdrawn both its appeal of this case pending at the Supreme Court and its petition for a rule to show cause

and temporary injunction filed with the Commission on July 21, 1998.

NOW THE COMMISSION, upon consideration of the parties' filings on September 18, 1998, the Staff's report of September 25, 1998, Prince George's filings of October 23, 1998, the Staff's final report of October 30, 1998 and its acceptance of Prince George's tariff for service to RGC, Staff's motion filed of November 2, 1998, and Prince George's response filed on November 6, 1998, is of the opinion and finds that the parties have complied with their obligations to effectuate the transfer of service for RGC from Virginia Power to Prince George, as required by our June 25, 1998 order. We will not delay in acting on the Staff's motion inasmuch as the parties have satisfied the requirements of our orders in this case. Accordingly,

IT IS ORDERED THAT there being nothing further to come before the Commission in this case, this proceeding is closed and the record developed herein shall be placed in the file for ended causes.